

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-QSB

(Mark One)

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2003

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT**

For the transition period from _____ to _____

000-26211

(Commission file number)

Secure Blue, Inc.

(Exact name of small business issuer as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation or organization)

95-4666270

(IRS Employer
Identification No.)

5630 West Manchester Boulevard

Los Angeles, California 90045

(Address of principal executive offices)

(310 670-2366

(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

☒ Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

The number of shares outstanding of each of the issuer's classes of common equity as of March 31, 2003 - 9,240,000 shares of common stock

The common stock of Secure Blue, Inc. is traded on the NASDAQ Bulletin Board under the symbol "SBLI".

Transitional Small Business Disclosure Format (check one): Yes ☐ No ☒

Secure Blue, Inc.

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PART I. FINANCIAL INFORMATION**ITEM 1. Financial Statements**

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Accountant's Review Report

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Board of Directors
Secure Blue, Inc.
Las Vegas, Nevada

I have reviewed the accompanying balance sheet of Secure Blue, Inc. (a Nevada Corporation) as of March 31, 2003; and the related statements of operations, stockholders' equity and cash flows for the three months ended March 31, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Secure Blue, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying March 31, 2002 financial statements in order for them to be in conformity with generally accepted accounting principals.

The financial statements for the quarter ended March 31, 2002 and years ended December 31, 2001 and December 31, 2000 were audited by other auditors and they expressed an unqualified opinion on them in their report dated May 7, 2002.

Mark Sherman CPA Professional Corp

May 13, 2003

SECURE BLUE, INC.

BALANCE SHEET

	<u>March 31, 2003</u>	<u>December 31, 2002</u>	<u>December 31, 2001</u>
Assets			
Current Assets			
Cash	\$ 1,231	\$ 0	\$ 0
Inventory	<u>14,842</u>	<u>14,842</u>	<u>15,639</u>
Total Current Assets	16,073	14,842	15,639
Property and Equipment, Net	11,787	12,573	15,717
Other Assets	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 27,860</u>	<u>\$ 27,415</u>	<u>\$ 31,356</u>
Liabilities and Stockholders' Equity			
Current Liabilities			
Officer advances	55,426	48,326	0
Accounts payable	54,126	57,592	44,799
Accrued liabilities	<u>7,136</u>	<u>4,297</u>	<u>34,734</u>
Total Current Liabilities	116,688	110,215	79,533
Long-term Liabilities	0	0	0
Stockholders' Equity			
Common Stock, \$.001 par value			
Authorized 50,000,000 shares;			
Issued and outstanding:			
9,240,000 shares	150		
9,240,000 shares		150	
150,000 shares			150
Additional paid-in capital	74,850	74,850	74,850
Retained earning (deficit)	<u>(163,828)</u>	<u>(157,800)</u>	<u>(123,177)</u>
Total Stockholders' Equity	(88,828)	(82,800)	(48,177)
Total Liabilities and Stockholders' Equity	<u>\$ 27,860</u>	<u>\$ 27,415</u>	<u>\$ 31,356</u>

See accompanying notes to financial statements.

SECURE BLUE, INC.

STATEMENT OF OPERATIONS

	January 1 st to March 31 st 2003	January 1 st to December 31 st 2002	January 1 st to December 31 st 2001
REVENUES	\$ 44,564	\$ 214,617	\$ 325,041
COST OF SALES	<u>(16,224)</u>	<u>(47,259)</u>	<u>(192,261)</u>
GROSS PROFIT	28,340	167,358	132,780
EXPENSES			
Selling, general and administrative	(33,582)	(198,837)	(144,973)
Depreciation	<u>(786)</u>	<u>(3,144)</u>	<u>(3,144)</u>
TOTAL EXPENSES	(34,368)	(201,981)	(148,117)
NET PROFIT (LOSS)	<u>\$ (6,028)</u>	<u>\$ (34,623)</u>	<u>\$ (15,337)</u>
NET PROFIT (LOSS) PER SHARE	<u>\$ (.001)</u>	<u>\$ (.004)</u>	<u>\$ (0.102)</u>
AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING	<u>9,240,000</u>	<u>9,240,000</u>	<u>150,000</u>

See accompanying notes to financial statements.

SECURE BLUE, INC.

STATEMENT OF STOCKHOLDERS' EQUITY

	<u>Common Stock</u>		<u>Additional</u>	<u>Retained</u>
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Deficit</u>
			<u>Capital</u>	
Balance - December 31, 1997	50,000	\$ 50	\$ 49,450	\$ (1,227)
September 15, 1998 Public offering Regulation D issued for cash	100,000	\$ 100	\$ 24,900	
Net (Loss) year ended 12/31/98				<u>\$ (61,600)</u>
Balance - December 31, 1998	150,000	\$ 150	\$ 74,850	\$ (62,827)
Net (Loss) year ended 12/31/99				<u>\$ (38,132)</u>
Balance - December 31, 1999	150,000	\$ 150	\$ 74,850	\$ (100,959)
Net (Loss) year ended 12/31/00				<u>\$ (6,881)</u>
Balance - December 31, 2000	150,000	\$ 150	\$ 74,850	\$ (107,840)
Net (Loss) year ended 12/31/01				<u>\$ (15,337)</u>
Balance - December 31, 2001	150,000	\$ 150	\$ 74,850	\$ (123,177)
20:1 forward stock split 1/18/02	2,850,000			
3 for 1 stock dividend 11/14/02	6,240,000			
Net (Loss) year ended 12/31/02				<u>\$ (34,623)</u>
Balance - December 31, 2002	9,240,000	\$ 150	\$ 74,850	\$ (157,800)
Net (Loss) quarter ended 3/31/03				<u>\$ (6,028)</u>
Balance - December 31, 2002	9,240,000	\$ 150	\$ 74,850	\$ (163,828)

See accompanying notes to financial statements.

SECURE BLUE, INC.

STATEMENT OF CASH FLOWS

	January 1 st to March 31 st 2003	January 1 st to December 31 st 2002	January 1 st to December 31 st 2001
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss)	\$ (6,028)	\$ (34,623)	\$ (15,337)
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Depreciation	786	3,144	3,144
Decrease (Increase) in Inventory	0	797	(1,655)
(Decrease) Increase in Accounts Payable	(3,466)	12,794	7,910
Increase in Officer's advances	7,100	48,326	0
Increase (Decrease) in Accrued Liabilities	<u>2,839</u>	<u>(30,438)</u>	<u>5,829</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,231</u>	<u>0</u>	<u>109</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Equipment	<u>0</u>	<u>0</u>	<u>0</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>0</u>	<u>0</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Paid-in-capital	<u>0</u>	<u>0</u>	<u>0</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>0</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in Cash	<u>\$ 1,231</u>	<u>\$ 0</u>	<u>\$ (109)</u>
Cash - Beginning of Period	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 109</u>
Cash - End of Period	<u><u>\$ 1,231</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

See accompanying notes to financial statements.

SECURE BLUE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – HISTORY AND ORGANIZATION OF THE COMPANY

The Company was organized on October 9, 1997 under the laws of the State of Nevada, under the name Eight Ball Corporation. The Company operates in the pool hall and restaurant industries.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. The Company uses the accrual method of accounting.
2. Estimates-The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
3. Cash and Cash Equivalents-For the statements of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents. There were no cash equivalents as of December 31, 2002, December 31, 2001 and December 31, 2000.
4. Inventory-Inventories are stated at the lower of cost (which approximates first-in, first-out cost) or market.
5. Property and Equipment-Property and Equipment is stated at cost. Depreciation is recorded using the straight-line method over the estimated useful life of the asset of three to seven years.
6. Income taxes-Income taxes are provided for using the liability method of accounting in accordance with Statement of Financial Accounting Standards No. 109 (SFAS #109) "Accounting for Income Taxes." A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

NOTE 3 – INVENTORY

Inventories consist of the following:

	March 31 st <u>2003</u>	December 31 st <u>2002</u>	December 31 st <u>2001</u>
Finished goods	\$0	\$0	\$0
Goods-in-process	\$0	\$0	\$0
Raw materials	<u>\$14,842</u>	<u>\$14,842</u>	<u>\$15,639</u>
Total inventories	<u>\$14,842</u>	<u>\$14,842</u>	<u>\$15,639</u>

NOTE 4 – PROPERTY AND EQUIPMENT

The Company's property and equipment consisted of the following:

	March 31 st <u>2003</u>	December 31 st <u>2002</u>	December 31 st <u>2001</u>
Leasehold improvement	\$0	\$0	\$0
Manufacturing equipment	\$0	\$0	\$0
Computer equipment, office furniture, other	<u>\$31,436</u>	<u>\$31,436</u>	<u>\$31,436</u>
	<u>\$31,436</u>	<u>\$31,436</u>	<u>\$31,436</u>
Less: Accumulated Depreciation	<u>(\$19,649)</u>	<u>(\$18,863)</u>	<u>(15,719)</u>
	<u>\$11,787</u>	<u>\$12,573</u>	<u>\$15,717</u>

SECURE BLUE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - STOCKHOLDER'S EQUITY

The authorized common stock of Secure Blue, Inc. consists of 50,000,000 shares with a par value of \$0.001 per share.

On October 9, 1997, the Company issued 50,000 shares of its common stock for \$50,000 cash.

On September 15, 1998, the Company completed a public offering that was offered without registration under the Securities Act of 1933, as amended, in reliance upon the exemption from registration afforded by sections 4 (2) and 2 (b) of the Securities Act and Regulation D promulgated thereunder. The Company sold 100,000 shares at a price of \$0.04 per share for a total amount raised of \$25,000.

On January 18, 2002, the Company executed a forward stock split of 20:1 for all shares issued and outstanding that resulted in there being 3,000,000 shares issued and outstanding.

On November 14, 2002, the Company executed a three for one stock dividend for all shares issued and outstanding that resulted in there being 9,240,000 shares issued and outstanding.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The Company leases retail space for its restaurant and pool hall. The facility lease is for a period of two years and five months. The lease provides a renewal option of two five year additional terms.

Total rent expense was \$65,686 for the year ended December 31, 2001.

Total rent expense was \$53,491 for the year ended December 31, 2002.

Total rent expense was \$10,689 for the three months ended March 31, 2003.

Estimated future minimum lease payments as of March 31, 2003 are as follows:

Year ending December 31, 2003	\$ 42,057
Year ending December 31, 2004	\$ 56,076
Year ending December 31, 2005	<u>\$ 18,692</u>
	<u>\$116,825</u>

NOTE 7 – NAME CHANGE

On January 8, 2003 the Company changed its name from Eight Ball Corporation to CardioBioscience Corporation in anticipation of a consummation of a business combination that subsequently never transpired.

On February 7, 2003 the Company changed its name from CardioBioscience Corporation to Secure Blue, Inc. in anticipation of a consummation of a business combination.

On March 6, 2003 the Company received a letter from “The Savings Bank Life Insurance Company of Massachusetts” informing the Company that the Company’s stock symbol, “SBLI” infringes on a trademark owned by said bank. The Company’s legal counsel anticipates that this matter will be resolved amicably.

Item 2. Management's Discussion and Analysis of Financial Condition and Plan of Operations

This statement may include projections of future results and “forward looking statements” as that term is defined in Section 27A of the Securities Act of 1933 as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934 as amended (the “Exchange Act”). All statements that are included in this Quarterly Report, other than statements of historical fact, are forward looking statements. Although management believes that the expectations reflected in these forward looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

Financial Summary

Results of Operations for the Three-Months Ended March 31, 2003

The majority of the net loss from operations of \$6,028 is primarily comprised of selling, general and administrative expenses of \$34,368; offset by gross profits from revenues of \$28,340.

Liquidity and Capital Resources

For the Three-Months ended March 31, 2003.

During the three-month period ended March 31, 2003, the Company's cash position increased by \$1,231; primarily due to an increase in officer advances.

Management Plan of Operations

Secure Blue, Inc.; in consideration of the recent fiscal year expenses and operations, had considered the possibility of a business acquisition or merger to be in the best interests of the shareholders of Secure Blue, Inc. (formally known as Eight Ball Corporation). To such end, the company, in January 2003, began discussions and negotiations with CardioBioscience Corporation in anticipation of a business combination that subsequently never transpired.

In February 2003, the company has entered into a Letter of Intent with Omega Information Solutions, Inc. in anticipation of a business combination, with such activity pending as needed to reach agreements and actions necessary to complete such anticipated business merger.

In March 2003, the Company entered into an Agreements and Plan of Merger with to merge with Omega Information Solutions, Inc. to acquire the assets of Omega subject to completion of mutual due diligence examination of the Company and Omega. To accomplish the Agreement, the Company will acquire all of Omega's outstanding common stock owned by the shareholders of Omega. Omega shareholders shall receive a total of twelve million (12,000,000) shares of the Company's common stock, which shall constitute approximately sixty percent (60%) of all the outstanding shares of the Company's common stock upon closing of the Agreement, in exchange for all of the Omega shares.

Part II. OTHER INFORMATION**Item 1. Legal Proceedings**

No legal proceedings were initiated or served upon the company in the quarter ending March 31, 2003.

On March 6, 2003 the Company received a letter from "The Saving Bank Life Insurance Company of Massachusetts" informing the company the stock symbol "SBLI" infringes on a trademark owned by said bank. Secure Blue, Inc.'s management anticipates the matter will be resolved amicably.

Item 2. Change in Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-KReports on Form 8-K

None, for the quarterly period ending March 31, 2003.

Exhibits

Secure Blue incorporates by reference Schedule 14F - Information Statement, as amended, filed with the Securities and Exchange Commission on May 8, 2003. Pursuant to an Agreement and Plan of Merger by and between Secure Blue, Inc. and Omega Information Solutions, Inc., a Maryland corporation.

Secure Blue incorporates by reference its Annual Report on Form 10-KSB, as amended, filed with the Securities and Exchange Commission on April 23, 2003.

Secure Blue includes herewith the following exhibit.

99.1	Certification of Principal Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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Item 7. Controls and Procedures

Secure Blue, Inc. management, including the Principal Executive Officer and Principal Financial Officer, have conducted an evaluation of the effectiveness of disclosure controls and procedures pursuant to Exchange Act Rule 13a-14(c) and 15d-14(c). This evaluation was conducted within 90 days prior to the filing of this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the disclosure controls and procedures are effective in ensuring that all material information required to be filed in this annual report has been made known to them in a timely fashion. There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date the Principal Executive Officer and Principal Financial Officer completed their evaluation.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Secure Blue, Inc.

By: /s/ Alfonso Hernandez, Jr., President
Alfonso Hernandez, Jr., President

Date: May 13, 2003

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Secure Blue, Inc.

By: /s/ Alfonso Hernandez, Jr., President
Alfonso Hernandez, Jr., President

Date: May 13, 2003

CERTIFICATION

I, Alfonso Hernandez, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Secure Blue, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 13, 2003

/s/ Alfonso Hernandez, Jr.

Alfonso Hernandez, Jr.
Principal Executive Officer and Principal Accounting Officer